

NORTH CAROLINA COTTON PRODUCERS ASSOCIATION

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Statement of
David L. Burns
Laurel Hill, North Carolina
Before the
House Agriculture Committee Hearing
Fayetteville, North Carolina
February 6, 2006

Mr. Chairman, thank you for the opportunity to provide remarks on national farm policy and the next farm bill. My name is David Burns. I operate a cotton, soybean and timber farming operation in southern North Carolina. I appear today on behalf of the North Carolina Cotton Producers Association. I have served as president and now serve as a member of the board of directors. The North Carolina Cotton Producers Association is a grower association representing virtually all cotton producers in our state.

I am honored to join others in welcoming you and the members of the committee to North Carolina. I am proud to be a constituent of Congressman Hayes and thank him for bringing this hearing to 18th Congressional District.

About 25 years ago cotton acreage declined to 45,000 acres, but has made a comeback to over 800,000 acres.

The principle reasons for the resurgence in cotton production in North Carolina are the successful eradication of the boll weevil and an effective farm program. That is why North Carolina cotton producers strongly support the current farm bill. Current law provides a balanced approach to commodity, conservation, nutrition, and rural development programs.

We believe the farm bill provides a stable and effective national farm policy for this country. It includes benefit delivery provisions that provide needed support in times of low prices without distorting overall planting decisions. An effective marketing loan provision allows U.S. cotton and other commodities to be price-competitive in a global

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market. The current law contains sufficient planting flexibility provisions that allow producers to react to market signals. We strongly believe the 2002 farm bill should serve as the basis for the next farm bill debate.

And it is critical that current law be allowed to operate, without major modification, through its scheduled expiration with the 2007 crop so producers can continue to make responsible investment, cropping and marketing decisions. This farm bill has also been significantly less expensive than projected when enacted. I would doubt that any other major entitlement program can make that claim.

It is also significant that no farm or commodity organization has proposed changes to the law, and in fact, at its recent annual meeting last month, the American Farm Bureau expressed support for extension of the current law. Mr. Chairman, as your committee begins consideration of the next farm bill, we believe it is critical for Congress to provide adequate budget authority in order to craft an effective farm bill. We understand that the budget deficit situation facing this country is different than the last farm bill debate, but we urge Congress to protect the budget baseline for all aspects of the farm bill.

Secondly, we understand that the outcome of the current Doha trade negotiations could impact the makeup of our next farm bill. The cotton industry is very concerned about the attempts by some to single out cotton for treatment that is different from the remainder of agriculture in both level of reduction and timeliness of implementation. We urge our negotiators to insist that the negotiations be conducted as a single undertaking for all programs regarding levels of domestic support and that no reductions in domestic support be agreed upon unless accompanied by meaningful increases in market access for all WTO countries.

Given the challenges of these two critical policy areas, we support continuation of the current structure of farm programs as contained in the 2002 Act. The combination of direct and counter-cyclical payments provides an effective means of income support, especially in periods of low prices without distorting planting decisions. We strongly support the continuation of the marketing loan. It is critical that all production remain eligible for the marketing loan to ensure that farmers are able to make orderly production and marketing decisions and that U.S. commodities are competitive in international markets. When prices are extraordinarily low, it is important to maintain existing authority, which allows farmers to redeem loans with marketing certificates.

In addition to sound farm program provisions, it is critical to ensure that commercially-viable operations are eligible for program benefits and to recognize that the size and structure of farming operations varies by region and cropping pattern. A significant majority of farmers oppose all forms of payment limitations. However, at a minimum, we urge Congress to maintain current payment limits and eligibility requirements.

Mr. Chairman, we were deeply disappointed to learn that the Administrations budget proposal released this morning once again includes unworkable limitations on loan eligibility and payment limitation provisions that penalize commercially viable operations. We urge you and your colleagues to once again reject these proposals, which if enacted would significantly disrupt farming operations in North Carolina and across the country.

Planting flexibility is one of the principles of the current farm bill that is most strongly supported by virtually all farmers and should be maintained in future law.

Conservation programs will continue to be an important component of farm policy. These programs should be operated on a voluntary, cost-share basis and can be a valuable complement to commodity programs, but they would not make an effective substitute for the safety-net provided by commodity programs. The Conservation Reserve Program, the Conservation Security Program, and Environmental Quality Incentives Program are proven, valuable ways to promote sound conservation and environmental practices through cost-share, incentive-based approaches.

As with the current farm bill, Congress should strive to maintain the proper budgetary balance between all aspects of farm law, including commodity, nutrition, conservation and rural development programs. We recognize the challenge this will present given the budget deficit situation facing Congress.

Continuation of successful export market promotion programs such as the Market Access Program is important in an export-based agricultural economy. It is also important to continue WTO-compliant export credit guarantee programs.

The U.S. cotton industry understands the value and benefits of an effective promotion program. Because of advertising campaigns financed with grower monies, the average U.S. consumer buys 35 pounds of cotton textiles and apparel each year. In the rest of the world, cotton consumption is only 6 pounds per person. Promotion works, and it is imperative that the authority for farmers to operate self-help, self-financed commodity promotion programs continue.

Mr. Chairman, we recognize that your committee and Congress will face many challenges from many different interests in crafting new farm legislation. I would emphasize that adequate spending authority and the current farm program form a solid foundation for the next legislation. The cotton industry will work closely with Congress to ensure that our country maintains an effective national farm policy.

Thank you again for the opportunity to present these remarks.

**Committee on Agriculture
U.S. House of Representatives
Information Required From Non-governmental Witnesses**

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: David L. Burns
2. Business Address: P.O. Box 159, Laurel Hill, N. C. 28351
3. Business Phone Number: 910-462-2122
4. Organization you represent: N.C. Cotton Producers Association
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:
I have been producing cotton and working with the cotton
industry for more than 40 years.
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:
I have a MS in Agronomy and have served as President of the
North Carolina Cotton Producers and the Southern Cotton Growers.
7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:
I have served as president of the N. C. Cotton Producers
Association and am currently on their board of directors.

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: David L. Burns
Address: P.O. Box 159, Laurel Hill, NC, 28351
Telephone: 910-462-2122

Organization you represent (if any): N.C. Cotton Producers Association

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: None Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: None Amount: _____

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: ☒ _____

Signature: David L. Burns

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.*

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.